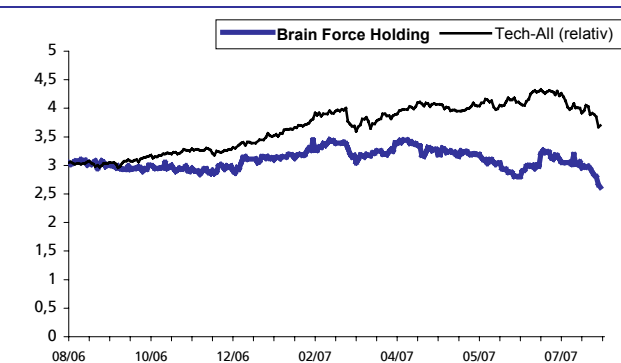


Hold Risk: Price target: **n.a.** **No recovery in Q2 – quite the contrary**
 (old: Buy) high

Bloomberg: BFC GY Price: EUR 2.62
 Reuters: BFCG.DE Tech-AS: 1.030,71
 ISIN: AT0000820659
 Internet: www.Brainforce.com
 Segment: Prime Standard
 Sector: IT services



Share data: Bloomberg 17.08.2007 / Closing price

High / Low 52 W: EUR 3.48 / EUR 2.50
 Market cap.: EUR 40.31m.
 No. of shares (fully diluted): 15.39 m.

Sharehol- Free Float 79.32%
 H. Fleischmann Privatstiftung 15.67%
 BEKO Holding AG 5.01%

Calendar: Figures Q2/07 27.08.2007
 Dt. Eigenkapitalforum 13.11.2007
 Figures Q3/07 26.11.2007

Analysis: SES Research

Date of publication: 20.08.2007
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On August 20, 2007, Brain Force Holding AG reported the preliminary figures for H1. The figures clearly missed the expectations.

	H1 2007			Prev. year
	reported	estimate	Delta	
Sales	47.70	51.12	-6.7%	42.9
EBITDA	1.30	3.78	-65.6%	3.3
Margin	2.7%	7.4%		7.7%
EBIT	-	-	-	-
Margin	-	-	-	-
EBT	-	-	-	-
Margin	-	-	-	-
EpS	-	-	-	-

EpS in EUR, all other in m EUR

The product sales and the related project business in the technology and infrastructure segment in Germany fell short of the expectations also in Q2 after a very weak Q1.

The company will now conduct restructurings on the balance sheet with respect to the valuation of participations and (to a small extent) capitalised services which will have a negative impact. This will lead to clear value adjustments of approx. EUR 10 m which will impact the earnings in Q2 negatively. This shows that the chances of some participations were valued apparently too optimistic. We assume that also some of the recent acquisitions will fall short of the expectations.

With respect to the weak H1 figures Brain Force corrected the estimates for the current fiscal year 2007. Sales should be within the bandwidth of EUR 100 to 105 m and the EBITDA between EUR 4.0 – 5.0 m. Due to the announced value adjustment the EBIT should be between EUR – 9.0 to - 11.0 m. At the end of Q1 the company still expected sales of EUR 116 m, an EBITDA of EUR 11.5 as well as an EBIT of EUR 6.4 m. This clear correction is insofar very surprising and shows that possibly planning mistakes have been committed.

At the new estimates it also has to be noted that even under adjustment of announced value adjustments only a balanced EBIT seems realistic for 2007. This is absolutely disappointing and shows that the company is also not more optimistic for the rest of the year.

The managing board has initiated corresponding measures such as cost cutting, structural changes and personnel changes in the Management in Germany. However, this will not show effect in the medium term as such measures naturally need longer lead times.

Despite the strong share price development we see our-



selves induced to downgrade the share from "BUY" to "HOLD".

The group publishes the final business figures per H1 on August 27, 2007. We will adjust our estimates accordingly.

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